

FREE TRADE AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF BULGARIA
AND THE GOVERNMENT OF THE STATE OF ISRAEL

PREAMBLE

The Government of the State of Israel and the Government of the Republic of Bulgaria (hereinafter "the Parties");

Reaffirming their commitment to the principles of market economy, which constitutes the basis for their relations;

Considering their common desire to participate actively in the process of international economic integration;

Expressing their readiness to co-operate in finding the means and ways for strengthening this process;

Considering the Europe Agreement for Association between the European Communities and their Member States, of the one part, and the Republic of Bulgaria, of the other part, and the Euro-Mediterranean Agreement establishing an Association between the European Communities and their Member States, of the one part, and the State of Israel, of the other part;

Resolved to this end to eliminate progressively the obstacles to substantially all their mutual trade, in accordance with the provisions of the General Agreement on Tariffs and Trade (GATT 1994) and the Agreement establishing the World Trade Organization (WTO);

Convinced that this Agreement will create a new climate for their economic relations and, in particular, for the development of trade, investments and economic and technical co-operation;

Considering that no provision of this Agreement may be interpreted as exempting the Parties from their obligations under other international agreements, especially the General Agreement on Tariffs and Trade (GATT 1994) and the Agreement establishing the World Trade Organization (WTO);

Have agreed as follows:

Article 1
Objectives

1. The Parties shall gradually establish a free trade area, during a transitional period ending at the latest on January 1, 2004, in accordance with the provisions of the present Agreement and in conformity with those of the GATT 1994, in particular Article XXIV of the GATT 1994 and the Understanding on the Interpretation of Article XXIV of the GATT 1994, and the Agreement establishing the WTO.

2. The objectives of the present Agreement are:

(a) to promote through the expansion of mutual trade the harmonious development of economic relations between the Parties;

(b) to provide fair conditions of competition for trade between the Parties;

(c) to contribute in this way, by removal of barriers to trade, to the harmonious development and expansion of world trade;

(d) to enhance co-operation between the Parties in areas which are of mutual interest to the Parties.

CHAPTER I INDUSTRIAL PRODUCTS

Article 2 Scope

1. The provisions of this Chapter shall apply to industrial products originating in the State of Israel or in the Republic of Bulgaria.

2. For the purpose of this Agreement the term "industrial products" means products falling within Chapters 25 to 97 of the Harmonized Commodity Description and Coding System, with the exception of the products listed in Annex I.

Article 3 Basic Duties

1. The Customs Tariff of the Republic of Bulgaria shall be applied to the classification of goods imported into the Republic of Bulgaria. The Customs Tariffs of the State of Israel shall be applied to the classification of goods imported into the State of Israel.

2. For each product the basic duty to which successive reductions set out in this Agreement are to be applied shall be the most favoured nation duty applicable by the Parties on the day before the date of entry into force of this Agreement.

3. If after this date any tariff reduction is applied on an erga omnes basis in particular, reductions resulting from tariff agreements under the Uruguay Round of the GATT 1994 and the Agreement establishing the WTO, the reduced duties shall replace the basic duties under paragraph 2 from the date of application of the reduction.

4. The reduced duties calculated in accordance with paragraph 2 shall be applied rounded to the first decimal place or in case of specific duties, to the second decimal place.

5. The Parties shall communicate to each other their respective basic duties.

Article 4

Customs Duties On Imports

1. No new customs duties on imports shall be introduced, nor shall those already applied be increased, in trade between the Parties as from the date of entry into force of this Agreement.
2. Customs duties on imports applied in the Republic of Bulgaria on products originating in the State of Israel, other than those specified in Annex II, shall be abolished from the date of entry into force of this Agreement.
3. Customs duties on imports applied in the Republic of Bulgaria on products originating in the State of Israel, specified in Annex II, shall be progressively abolished in accordance with the timetable provided in that Annex.
4. Customs duties on imports applied in the State of Israel on products originating in the Republic of Bulgaria, other than those specified in Annex III, shall be abolished from the date of entry into force of this Agreement.
5. Customs duties on imports applied in the State of Israel on products originating in the Republic of Bulgaria, specified in Annex III, shall be progressively abolished in accordance with the timetable provided in that Annex.

Article 5

Charges Equivalent To Duties

1. No new charges having an effect equivalent to customs duties on imports shall be introduced in trade between the Parties.
2. All charges having an effect equivalent to customs duties on imports shall be abolished on the date of the entry into force of this Agreement.

Article 6

Fiscal Duties

The provisions of Article 4 shall also apply to customs duties of a fiscal nature.

Article 7

Customs Duties On Exports And Charges Having Equivalent Effect

1. No new customs duties on exports or charges having equivalent effect shall be introduced in trade between the Parties.
2. The Parties shall abolish between them on the date of entry into force of this Agreement all customs duties on exports and charges having equivalent effect.

Article 8

Quantitative Restrictions On Exports And Measures Having Equivalent Effect

1. No new quantitative restrictions on exports or measures having equivalent effect shall be introduced in trade between the Parties from the date of entry into force of this Agreement.
2. All quantitative restrictions on exports from the Parties and measures having equivalent effect shall be abolished on the date of the entry into force of this Agreement.

Article 9

Quantitative Restrictions On Imports And Measures Having Equivalent Effect

1. No new quantitative restrictions on imports or measures having equivalent effect shall be introduced, in trade between the Parties from the date of entry into force of this Agreement.
2. All quantitative restrictions and measures having equivalent effect on imports shall be abolished by the Parties on the date of entry into force of this Agreement.

CHAPTER II

AGRICULTURAL PRODUCTS

Article 10

Scope

1. The provisions of this Chapter shall apply to agricultural products originating in the State of Israel or in the Republic of Bulgaria.
2. For the purpose of this Agreement the term "agricultural products" means products falling within Chapters 1 to 24 of the Harmonized Commodity Description and Coding System, and the products listed in Annex I.

Article 11

Exchange Of Concessions

1. The Parties declare their readiness to foster, in so far as their agricultural policies allow, the harmonious development of trade in agricultural products, and to discuss this issue periodically within the Joint Committee.
2. In pursuance of this objective, the Parties shall grant each other the concessions specified in Protocol A, in accordance with provisions of this Chapter and those laid down in that Protocol.
3. Taking account of:

- * the role of agriculture in their economies,
- * the development of trade in agricultural products between the Parties,
- * the particular sensitivity of the agricultural products,
- * the rules of their agricultural policies,
- * the results of the multilateral trade negotiations under the GATT and of the WTO;

the Parties shall examine within the framework of the Joint Committee the possibilities of granting each other further concessions and improving the existing concessions.

Article 12

Concessions And Agricultural Policies

1. Without prejudice to the concessions granted under Article 11, the provisions of this Chapter shall not restrict in any way the pursuance of the respective agricultural policies of the Parties or application of any measures under such policies, including the implementation of the provisions of the Agreement on Agriculture negotiated under the auspices of the GATT 1994 and the Agreement establishing the WTO.

2. Each Party shall notify the other Party of changes in their respective agricultural policies pursued or measures applied which may affect the conditions of agricultural trade among them as provided for in this Agreement. On the request of a Party prompt consultations within the Joint Committee shall be held to examine the situation.

Article 13

Specific Safeguards

Notwithstanding other provisions of this Agreement and, in particular Article 20, and given the particular sensitivity of the agricultural products, if imports of products originating in a Party, which are subject to concessions granted under this Agreement, cause serious disturbances to the markets of the other Party, the Party concerned shall immediately enter into consultations within the Joint Committee with a view to finding an appropriate and mutually acceptable solution. Pending such solution, the Party concerned may take measures it deems necessary, immediately notifying the other Party of the measures taken.

Article 14

Sanitary And Phytosanitary Measures

1. The Parties shall apply their sanitary and phyto-sanitary measures in accordance with the WTO Agreement on Sanitary and Phyto-sanitary measures and other relevant agreements of the WTO.

2. The Parties shall not apply their sanitary and phyto-sanitary measures in an arbitrary, unjustifiable or discriminatory way or as a disguised restriction on trade between them.

CHAPTER III

GENERAL PROVISIONS

Article 15

Technical Barriers To Trade

1. The rights and obligations of the Parties related to standards or technical regulations and the respective measures shall be defined by the WTO Agreement on Technical Barriers to Trade.
2. The Parties shall cooperate and exchange information in the field of standardization, metrology, conformity assessment and accreditation, with the aim of eliminating technical barriers in trade.
3. Each Party, upon a request by the other Party, shall submit information on particular individual cases of standards, technical rules or similar measures. The Parties shall cooperate for the purpose of eliminating possible barriers in bilateral trade.

Article 16

Internal Taxation

1. The Parties to this Agreement shall refrain from any measure or practice of an internal fiscal nature establishing, whether directly or indirectly, discrimination between the products originating in the Parties.
2. Products exported to the territory of one of the Parties may not benefit from repayment of internal taxation in excess of the amount of direct or indirect taxation imposed on them.

Article 17

Customs Unions, Free Trade Areas And Frontier Trade

1. This Agreement shall not prevent the maintenance or establishment of customs unions, free trade areas or arrangements for frontier trade which are in accordance with the provisions of Article XXIV of the GATT 1994 and with the Understanding on the Interpretation of Article XXIV of the GATT 1994.
2. Upon request, consultations between the Parties shall take place within the Joint Committee in order for the Parties to inform each other on agreements establishing customs unions or free trade areas and, where required, on other major issues related to their respective trade policy with third countries.

Article 18

Structural Adjustment

1. Exceptional measures of limited duration which derogate from the provisions of Article 4 may be taken by either of the Parties in the form of increased customs duties.
2. These measures may only concern infant industries, or certain sectors undergoing restructuring or facing serious difficulties, particularly where these difficulties produce important social problems.

3. Customs duties on imports applicable in the Party concerned to products originating in the other Party introduced by these measures may not exceed 25 % ad valorem and shall maintain an element of preference for products originating in the Party. The total value of imports of the product which are subject to these measures may not exceed 15% of total imports of industrial products from the other Party as defined in Article 2 during the last year for which statistics are available.

4. These measures shall be applied for a period not exceeding three consecutive years in respect of a certain product from the date all duties, quantitative restrictions, charges or measures having an equivalent effect have been eliminated concerning that product.

5. The Party concerned shall inform the Joint Committee of any exceptional measures it intends to take and, at the request of the other Party consultations shall be held within the Joint Committee on such measures and the sectors to which they apply before they are applied. When taking such measures the Party concerned shall provide the Joint Committee with a schedule for the elimination of the customs duties introduced under this Article. This schedule shall provide for a phasing out of these duties starting at the latest two years after their introduction, at equal annual rates. The Joint Committee may decide on a different schedule.

Article 19 Dumping

If a Party finds that dumping within the meaning of Article VI of the GATT 1994 is taking place in trade relations governed by this Agreement, it may take appropriate measures against that practice in accordance with Article VI of the GATT 1994 and the Agreement on Implementation of Article VI of the GATT 1994.

Article 20 General Safeguards

Where any product is being imported in such increased quantities and under such conditions as to cause or threaten to cause:

- (a) serious injury to domestic producers of like or directly competitive products in the territory of the importing Party, or
- (b) serious disturbances in any related sector of the economy or difficulties which could bring about serious deterioration in the economic situation of a region,

the Party concerned may take appropriate measures under the conditions and in accordance with the procedure laid down in Article 23.

Article 21 Re-Export And Serious Shortage

1. Where compliance with the provisions of Articles 7 and 8 leads to:

- (a) re-export towards a third country against which the exporting Party maintains for the product concerned quantitative export restrictions, export duties or measures or charges having equivalent effect; or
- (b) a serious shortage, or threat thereof, of a product essential to the exporting Party;

and where the situations referred to above give rise or are likely to give rise, to major difficulties for the exporting Party, that Party may take appropriate measures under the conditions and in accordance with the procedure laid down in Article 23.

2. Measures taken as a result of the situations referred to in paragraph 1 shall be applied in a non-discriminatory manner and be eliminated when conditions no longer justify their maintenance.

Article 22

State Monopolies

1. The Parties shall adjust progressively any State monopoly of a commercial character so as to ensure that no discrimination regarding the conditions under which goods are procured and marketed exists between nationals of the states of Parties.
2. The Joint Committee shall be informed about the measures adopted to implement this objective.

Article 23

Procedure For The Application Of Safeguard Measures

1. Before initiating the procedure for the application of safeguard measures set out in the following paragraphs of this Article, the Parties shall endeavour to solve any differences between them through direct consultations.
2. If a Party subjects imports of products liable to give rise to the situation referred to in Article 20 to an administrative procedure, the purpose of which is the rapid provision of information on the trend of trade flows, it shall inform the other Party.
3. Without prejudice to paragraph 7 of this Article, a Party which considers resorting to safeguard measures shall promptly notify the other Party thereof and supply all relevant information. Consultations between the Parties shall take place without delay in the Joint Committee with a view to finding an appropriate and mutually acceptable solution.
4. (a) As regards Articles 20 and 21 the Joint Committee shall examine the case or the situation and may take any decision needed to put an end to the difficulties notified by the Party concerned. In the case of the absence of such decision or if no other satisfactory solution is reached, within forty five days, of the matter being referred to the Joint Committee, the Party concerned may adopt the measures necessary in order to remedy the situation;
(b) As regards Article 27 and 28, the Party concerned shall give the Joint Committee all the assistance required in order to examine the case and, where appropriate, eliminate the practice objected to. If the other Party fails to put an end to the practice objected

to within the period fixed by the Joint Committee or if the Joint Committee fails to reach an agreement within forty five working days, of the matter being referred to it, the Party concerned may adopt the appropriate measures to deal with the difficulties resulting from the practice in question.

5. The safeguard measures taken shall be notified immediately to the other Party. They shall be limited with regard to their extent and to their duration to what is strictly necessary in order to rectify the situation giving rise to their application and shall not be in excess of the injury caused by the practice or the difficulty in question. Priority shall be given to such measures as will least disturb the functioning of this Agreement.

6. The safeguard measures taken shall be subject to periodic consultations within the Joint Committee with a view to their relaxation or abolition when conditions no longer justify their maintenance.

7. Where exceptional circumstances requiring immediate action make prior examination impossible, the Party concerned may, in the cases of Articles 20 and 21, apply forthwith the provisional measures strictly necessary to remedy the situation. The measures shall be notified without delay and consultations between the Parties shall take place as soon as possible in the Joint Committee.

Article 24

General Exceptions

This Agreement shall not preclude prohibitions or restrictions on imports, exports or goods in transit justified on grounds of public morality, public policy or public security; the protection of health and life of humans, animals or plants including environmental measures necessary to protect human, animal or plant life or health; the protection of national treasures possessing artistic, historic or archaeological value; the protection of intellectual property or rules relating to gold or silver or the conservation of exhaustible natural resources, if such measures are made effective in conjunction with restrictions on domestic production or consumption. Such prohibitions or restrictions shall not, however, constitute a means of arbitrary discrimination or a disguised restriction on trade between the Parties.

Article 25

Rules Of Origin And Co-Operation In Customs Administration

1. Protocol B of this Agreement lays down the rules of origin and related methods of administrative co-operation.

2. The Parties shall take appropriate measures, including regular reviews in the Joint Committee and arrangements for administrative co-operation, to ensure that the provisions of Protocol B and the relevant Articles of the Agreement are effectively and harmoniously applied, to reduce, as far as possible the formalities imposed on trade, and to achieve mutually satisfactory solutions for both Parties to any difficulties arising from the operation of those provisions.

Article 26 Payments

1. Payments in freely convertible currencies relating to trade in goods between the Parties and the transfer of such payments to the territory of a Party, where the creditor resides, shall be free from any restrictions.
2. The Parties shall refrain from any exchange or administrative restrictions on the grant, repayment or acceptance of short and medium credits concerning commercial transactions in which a resident participates.
3. Any measures concerning current payments connected with the movement of goods shall be in conformity with the conditions laid down under Article VIII of the Statutes of the International Monetary Fund.

Article 27 Rules Of Competition Concerning Undertakings

1. The following are incompatible with the proper functioning of this Agreement in so far as they may affect trade between the Parties:
 - (a) all agreements between undertakings, decisions by associations of undertakings and concerted practices between undertakings which have as their object or effect the prevention, restriction or distortion of competition;
 - (b) abuse by one or more undertakings of a dominant position in the territories of the Parties as a whole or in a substantial part thereof.
2. The provisions of paragraph 1 shall apply to the activities of all undertakings including public undertakings and undertakings to which the Parties grant special or exclusive rights. Undertakings entrusted with the operation of services of general economic interest or having the character of a revenue-producing monopoly, shall be subject to provisions of paragraph 1 insofar as the application of these provisions does not obstruct the performance, in law or in fact, of the particular public tasks assigned to them.
3. With regard to products referred to in Chapter II, the provisions stipulated in Paragraph 1(a) shall not apply to such decisions and practices which form an integral part of national marketing organization.
4. If a Party considers that a given practice is incompatible with paragraphs 1 and 2 of this Article, and if such practice causes or threatens to cause serious prejudice to the interest of that Party or material injury to its domestic industry, the Party concerned may take appropriate measures under the conditions and in accordance with the procedure laid down in Article 23.
5. Subject to its laws, regulations and policies, each Party shall accord fair and equitable treatment to the individuals, companies, government agencies and other entities of the other Party engaged in the pursuit of activities under this Agreement.

Article 28
State Aid

1. Any aid granted by a State being a Party to this Agreement or through State resources in any form whatsoever which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods shall, in so far as it may affect trade between the Parties to this Agreement, be incompatible with the proper functioning of this Agreement.

2. The provisions of paragraph 1 shall not apply to products referred to in Chapter II.

3. The Parties shall ensure transparency in the area of state aid measures, in accordance with the provisions of the Agreement on Subsidies and Countervailing Measures under the WTO/GATT 1994, and either Party, upon request of the other Party, will provide, information on aid schemes and on particular individual cases of state aid.

4. If a Party considers that a particular practice:

* is incompatible with the terms of paragraph 1, and

* causes or threatens to cause serious prejudice to the interest of that Party or material injury to its domestic industry,

it may take appropriate measures under the conditions of and in accordance with the provisions laid down in Article 23. Such appropriate measures may only be taken in conformity with the procedures and under the conditions laid down by the Agreement on Subsidies and Countervailing Measures under the WTO/ GATT 1994.

Article 29
Balance Of Payments Difficulties

1. The Parties shall endeavour to avoid the imposition of restrictive measure including such measures relating to imports for balance of payment purposes.

2. Where one of the Parties is in serious balance of payments difficulties, or under imminent threat thereof, the Party concerned may, in accordance with the conditions established under the GATT 1994 and Article VIII of the Statutes of the IMF, adopt restrictive measures, including measures related to imports, which shall be of limited duration and may not go beyond what is necessary to remedy the balance of payments situation. The measures shall be progressively relaxed as balance of payments conditions improve and they shall be eliminated when conditions no longer justify their maintenance. The Party concerned shall inform the other Party forthwith of their introduction and, whenever practicable, of a time schedule for their removal.

3. In applying such temporary trade measures, the Party in question will accord treatment no less favourable to imports originating in the other Party than to imports originating in any other country.

Article 30

Protection Of Intellectual Property

1. The Parties shall grant and ensure protection of intellectual property rights in accordance with the obligations arising from the WTO Agreement on Trade - Related Aspects of Intellectual Property Rights, including granting and enforcing of such rights. The protection shall conform with the substantive standards of the multilateral Agreements which are specified in Annex IV.
2. For the purpose of this Agreement the term "intellectual property" shall be defined as that term is defined in the TRIPS Agreement, including inter alia, Copyright and Related Rights; Trademarks; Geographical Indications; Industrial Designs; Patents; Layout-Designs (Topographies) of Integrated Circuits; and, Undisclosed Information.
3. The Parties shall co-operate in matters of intellectual property. Upon request of either Party, they shall hold consultations of experts on these matters, in particular with respect to activities, relating to existing or to future international conventions on the harmonization, administration and enforcement of intellectual property rights, and on activities in international organizations, such as the WTO, World Intellectual Property Organization, as well as concerning the relations of the Parties with third countries with respect to the intellectual property matters.
4. The implementation of this article shall be assessed by the Parties. Upon difficulties in trade in relation to the rights of intellectual property, either of the Parties may request urgent consultations for finding a mutually acceptable solution.

Article 31

Government Procurement

1. The Parties consider the liberalization of their respective government procurement markets as an objective of this Agreement. The Parties aim at opening up of the award of public contracts on the basis of non-discrimination and reciprocity.
2. The Parties will progressively develop their respective rules, conditions and practices on government procurement.
3. The Joint Committee shall review progress in this area and may make recommendations so as to ensure transparency and a mutual opening of their respective markets. During this review the Joint Committee may consider, especially in the light of international regulations in this area, the possibility of extending the coverage and/or the degree of the market opening provided for in paragraph 2.
4. The Parties shall endeavour to accede to the relevant Agreements negotiated under the auspices of the WTO.

Article 32

The Joint Committee

1. A Joint Committee is hereby established in which each Party shall be represented.

2. The Joint Committee shall be responsible for the administration of this Agreement and shall ensure its proper implementation. It may examine any major issue arising within the framework of this Agreement and any other trade or economic issues of mutual interest.

3. For the purpose of the proper implementation of this Agreement, the Parties shall exchange information and, at the request of any Party, shall hold consultations within the Joint Committee. The Committee shall keep under review the possibility of further removal of the obstacles to trade between the Parties.

4. The Joint Committee may, in accordance with the provisions of this Agreement take decisions, and make recommendations on any other trade and economic matter.

Article 33

Procedures Of The Joint Committee

1. For the proper implementation of this Agreement the Joint Committee shall meet whenever necessary but at least once a year. Each Party may request that a meeting be held.

2. The Joint Committee shall act by common agreement.

3. If a representative in the Joint Committee of a Party to this Agreement has accepted a decision subject to the fulfilment of internal legal requirements, the decision shall enter into force, if no later date is contained therein, on the date of the receipt of a written notification through diplomatic channels as to the fulfilment by that Party of such requirements.

4. For the purpose of this Agreement the Joint Committee shall adopt its rules of procedure which shall, inter alia, contain provisions for convening meetings and for the designation of the Chairman and his term of office.

5. The Joint Committee may decide to set up such subcommittees and working groups as it considers necessary to assist it in accomplishing its tasks.

Article 34

Security Exceptions

Nothing in this Agreement shall prevent a Party from taking any measure in accordance with Article XXI of the GATT 1994, which it considers necessary, including:

1. to prevent the disclosure of information contrary to its essential security interests;

2. for the protection of its essential security interests or for the implementation of international obligations or national policies;

3. taking any action in pursuance of its obligations under the United Nations Charter for the maintenance of international peace and security.

Article 35

Fulfilment Of Obligations

1. The Parties shall take any general or specific measure required to fulfil their obligations under the Agreement. They shall ensure that the objectives set out in the Agreement are achieved.

2. If either Party considers that the other Party has failed to fulfil an obligation under this Agreement, the Party concerned may take appropriate measures following the conclusion of consultations within the Joint Committee or if a period of three months has elapsed from the date of the first written notification to the other Party. For the purpose of consultations, it shall supply the other Party and the Joint Committee with all relevant information required for an examination of the situation with a view of seeking a mutually acceptable solution.

3. In the selection of measures, priority shall be given to those which least disturb the function of this Agreement.

4. The measures under paragraph 2 shall be notified immediately to the other Party.

Article 36

Dispute Settlement

1. The Parties shall at all times endeavour to agree on the interpretation and application of this Agreement, and shall make every attempt through cooperation and consultations within the Joint Committee to arrive at a mutually satisfactory resolution of any matter that might affect its operation.

2. The Joint Committee may settle any dispute by means of a decision.

3. If a dispute regarding the interpretation or application of this Agreement has not been resolved within two months in accordance with paragraph 2, each Party may notify the other Party of the appointment of an arbitrator. The other Party must then appoint a second arbitrator within two months.

4. Within two months from the appointment of the first arbitrator, the Joint Committee shall appoint a third arbitrator who shall be the chairman. The third arbitrator shall not be a national of either Party, nor permanently reside on the territory of either Party.

5. The arbitrators' decision shall be taken by majority vote within three months, unless a longer period has been agreed by the Joint Committee.

6. Each Party shall be bound to take the necessary measures involved in carrying out the decisions taken under paragraphs 2 and 5.

Article 37
Evolutionary Clause

Where a Party considers that it would be useful in the interests of the economies of the Parties to develop and deepen the relations established by the Agreement by extending them to fields not covered thereby, it shall submit a reasoned request to the other Party. The Parties may instruct the Joint Committee to examine such a request and, where appropriate, to make recommendations, particularly with a view to opening negotiations.

Article 38
Amendments

Amendments to this Agreement other than those referred to in Article 39, which are approved by the Joint Committee, shall enter into force on the date of a receipt of the latter diplomatic note confirming that all internal legal procedures of each Party required for the entry into force have been completed.

Article 39
Protocols And Annexes

Annexes and Protocols to this Agreement are an integral part of it. The Joint Committee may decide to amend the Annexes and Protocols, taking into account the procedure mentioned in Paragraph 3 of Article 33.

Article 40
Validity And Withdrawal

1. This Agreement is concluded for an unlimited period.
2. Each Party to this Agreement may withdraw therefrom, by means of a written notification to the other Party through diplomatic channels. The termination shall take effect on the first day of the seventh month following the date on which the notification was received by the other Party.

Article 41
Territorial Application

This Agreement shall apply to the customs territories of the State of Israel and of the Republic of Bulgaria.

Article 42
Entry Into Force

1. This Agreement shall be ratified by the Parties in accordance with their own internal legal procedures.

2. This Agreement shall enter into force on the first day of the second month following the date of receipt of the latter diplomatic note from the Parties confirming that all internal legal procedures referred to in the first paragraph of this Article have been completed.

IN WITNESS WHEREOF the undersigned plenipotentiaries, being duly authorized thereto, have signed the present Agreement.

DONE in duplicate at Sofia this 17th day of Sivan, 5761, which corresponds to the 8th day of June, 2001, in the Hebrew, Bulgarian and English languages, each of these texts being equally authentic. In case of divergences, the English text shall prevail.

1 The full text of the Agreement together with its annexes and protocols has been submitted to the Secretariat for consultation by interested Members (office 1174).

WT/REG150/1